

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND  
(Baltimore Division)**

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CAPITAL FUNDING, LLC

Plaintiff,

v.

AVI “ZISHA” LIPSCHUTZ and  
LARRY LIPSCHUTZ

Defendants.

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Civil Action No. CCB-18-0215

**JOINT MOTION TO STAY LITIGATION**

The parties, by and through their counsel, jointly submit this joint motion to stay litigation, stating as follows:

1. Plaintiff filed this action to collect upon personal guarantees of defendants for loans made to purchase four properties (collectively, the “Properties”), each of which houses a skilled nursing home (collectively, the “Facilities”) in Massachusetts.

2. On February 14, 2018, the owners of the real properties filed petitions for relief under Chapter 11 of the Bankruptcy Code in the United States District Court for the Eastern District of New York (the “Bankruptcy Court”).

3. On March 9, 2018, the United States District Court for the District of Massachusetts (the “Receivership Court”) appointed a receiver over the Facilities.

4. On July 6, 2018, the Bankruptcy Court entered an order providing for a competitive bidding process for the ultimate sale of the Properties. An auction of the Properties (the “Auction”) is scheduled for September 7, 2018.

5. The receiver is transitioning the back-office management of the Facilities from a company owned by one or more of the Defendants, Synergy Health Services, LLC (“Synergy”) to a new company (“NewCo”).

6. Plaintiff has agreed to stay this litigation until the Auction if the Defendants: (a) cooperate with the immediate transition of back-office services from Synergy to NewCo, including, but not limited to, the transition process and timeline described on **Exhibit A** hereto, which may take up to thirty (30) days to complete, (b) Synergy continues to provide back-office services as necessary to facilitate the transition and to charge each facility no more than \$15,625 (per facility) for the thirty day period, and (c) consent to the Auction and agree not to impair or impede the Auction processes ordered by the Bankruptcy Court and the Receivership Court.

7. The parties have further agreed to account for this stay in the current Scheduling Order by requesting this Court to extend (a) the discovery deadline and deadline for submission of a status report from September 7, 2018 to October 15, 2018; (b) the deadline for requests for admission from September 14, 2018 to October 29, 2018; and (c) the deadline for dispositive pretrial motions from October 9, 2018 to November 16, 2018.

WHEREFORE the parties respectfully request that the Court stay this litigation through September 7, 2018 and extend (a) the discovery deadline and deadline for submission of a status report from September 7, 2018 to October 15, 2018; (b) the deadline for requests for admission from September 14, 2018 to October 29, 2018; and (c) the deadline for dispositive pretrial motions from October 9, 2018 to November 16, 2018.

Dated: August 7, 2018

Respectfully submitted,

KATTEN MUCHIN ROSENMAN LLP

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# **EXHIBIT A**

**Exhibit A – Transition Plan**

<b>Category</b>	<b>Activity</b>	<b>Approximate Date</b>
Admin	Finalize contract between KCP and NewCo	8/1/2018
AP	Create procedures for AP (facility, transition, Apex)	8/1/2018
AR	Obtain NCS data from Synergy's server(s), NCS to hold until contract signed	8/1/2018
AR	Provide view access to NCS for KCP	Upon installation
AR	Provide Point Click Care access for NewCo (as soon as contract is signed)	8/1/2018
GL	Obtain Intacct data from Synergy	8/1/2018
IT	Determine transition plan for onsite email servers	8/7/2018
Banking	Provide view access to NewCo for bank accounts	8/2/2018
Credit cards	Replace existing structure with prepaid credit cards	8/2/2018
Payroll	Provide Smartlinx access to NewCo	8/2/2018
Payroll	Ensure payroll processing is in place for w/o 8/6	8/2/2018
Admin	Coordinate face-to-face meetings between NewCo personnel and facility personnel	8/19/2018
AR	Create plan for review of outstanding Medicaid pending patients	8/6/2018
Banking	Define BBC process	8/6/2018
Other	Transition RFMS	8/6/2018
Payroll	Confirm 401K payments and process	8/6/2018
AR	Create plan for review of 2018 billing to date	Once transition done
Other	Create facility procedures for RFMS	8/9/2018